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Article 1: General Provisions

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UNIFORM COMMERCIAL CODE ANNOTATIONS

This section contains a digest of all reported decisions from jurisdictions interpreting provisions of the Uniform Commercial Code published from November 15, 1963 through February 21, 1964, in the National Reporter System. Case citations preceded by a dagger (†) indicate decisions which are based upon language contained in the 1953 Official Version of the Code; those preceded by a double dagger (‡), the 1962 Official Version from which Code extracts herein used are taken. Case citations preceded by an asterisk (*) indicate decisions construing or interpreting provisions of the Code even though the Code did not govern the decision. All other decisions are based upon the 1958 Official Version.

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ARTICLE 1: GENERAL PROVISIONS

SECTION 1-103. Supplementary General Principles of Law Applicable

Unless displaced by the particular provisions of this Act, the principles of law and equity, including the law merchant and the law relative to capacity to contract, principal and agent, estoppel, fraud, misrepresentation, duress, coercion, mistake, bankruptcy, or other validating or invalidating cause shall supplement its provisions.

CASES ANNOTATED UNDER OTHER SECTIONS

FRENCH LUMBER CO., INC. v. COMMERCIAL REALTY & FIN. CO., INC.
— Mass. —, 195 N.E.2d 507 (1964)

See the Annotation to Section 9-312, *infra*.

SECTION 1-105. Territorial Application of the Act; Parties' Power to Choose Applicable Law

(1) Except as provided hereafter in this section, when a transaction bears a reasonable relation to this state and also to another state or nation the parties may agree that the law either of this state or of such other state or nation shall govern their rights and duties. Failing such agreement this Act applies to transactions bearing an appropriate relation to this state.

CASES ANNOTATED UNDER OTHER SECTIONS

UNITED STATES v. SOMMERVILLE
324 F.2d 712 (3d Cir. 1963)

For a complete discussion and analysis of this case, see note *infra*.

SECTION 1-201. General Definitions

Subject to additional definitions contained in the subsequent Articles of this Act which are applicable to specific Articles or Parts thereof, and unless the context otherwise requires, in this Act:

(19) "Good faith" means honesty in fact in the conduct or transaction concerned.

(25) A person has "notice" of a fact when

- (a) he has actual knowledge of it; or
- (b) he has received a notice or notification of it; or
- (c) from all the facts and circumstances known to him at the time in question he has reason to know that it exists.

A person "knows" or has "knowledge" of a fact when he has actual knowledge of it. "Discover" or "learn" or a word or phrase of similar import refers to knowledge rather than to reason to know. The time and circumstances under which a notice or notification may cease to be effective are not determined by this Act.

CASES ANNOTATED UNDER OTHER SECTIONS

NORMAN V. WORLD WIDE DISTRIB. INC.

— Pa. Super. —, 195 A.2d 115 (1963)

See the Annotation to Section 3-302(1), *infra*.

ARTICLE 2: SALES

SECTION 2-204. Formation in General

(1) A contract for sale of goods may be made in any manner sufficient to show agreement, including conduct by both parties which recognizes the existence of such a contract.

(2) An agreement sufficient to constitute a contract for sale may be found even though the moment of its making is undetermined.

(3) Even though one or more terms are left open a contract for sale does not fail for indefiniteness if the parties have intended to make a contract and there is a reasonably certain basis for giving an appropriate remedy.

CASES ANNOTATED UNDER OTHER SECTIONS

†BRUCE LINCOLN-MERCURY, INC. V. UNIVERSAL C.I.T. CREDIT CORP.

325 F.2d 2 (3d Cir. 1963)

See the Annotation to Section 9-102, *infra*.

SECTION 2-302. Unconscionable Contract or Clause

(1) If the court as a matter of law finds the contract or any clause of the contract to have been unconscionable at the time it was made the court

† Based on 1953 Code.